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Seventy-fourth Annual Report
FOR THE CALENDAR YEAR **1954**

THE BABCOCK & WILCOX COMPANY

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THE BABCOCK & WILCOX COMPANY

Annual Report 1954

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Directors

A. G. PRATT, *Chairman*
E. G. BAILEY
EDWARD L. COCHRANE
* ALFRED IDDLES
E. A. LIVINGSTONE
PAUL D. MERICA
C. W. MIDDLETON
M. NIELSEN
STODDARD M. STEVENS
B. A. TOMPKINS
JOHN C. TRAPHAGEN

General Offices
Stock Transfer Agent
Registrar
General Counsel
Auditors

Officers

ALFRED IDDLES, *President*
C. H. GAY, *Vice President*
A. M. KOHLER, *Vice President*
EDWARD A. LIVINGSTONE, *Vice President*
W. T. McCULLOUGH, JR., *Vice President*
M. NIELSEN, *Vice President*
ALAN E. PHIN, *Vice President*
W. H. ROWAND, *Vice President*
W. D. SULLIVAN, *Vice President*
W. J. THOMAS, *Vice President*
L. S. WILCOXSON, *Vice President*
W. C. BUCHANAN, *Vice President-Consultant*
W. G. DRYDEN, *Secretary and Treasurer*
P. H. FORBES, *Comptroller*
R. J. CANTWELL, *Assistant Comptroller*
N. K. FELDMAN, *Assistant Comptroller*
R. D. WING, *Assistant Comptroller*

161 E. 42 St., NEW YORK 17
BANKERS TRUST COMPANY, 16 WALL ST., NEW YORK 15
THE BANK OF NEW YORK, 48 WALL ST., NEW YORK 5
SULLIVAN & CROMWELL
PRICE WATERHOUSE & CO.



75 Years of Growth

During 1954 the nation's electric utility companies, which comprise a major market for the Company's products, celebrated the 75th anniversary of Edison's invention of the electric light. Edison bought his boilers from B&W, impressed by the engineering development work of Stephen Wilcox, as evidenced by his note on the letter at right. Today the consumption of energy continues to increase at a rapid rate. Accompanying this expansion is an insistent demand for improved technology in all phases of energy conversion—met at B&W by intensive application of scientific research and engineering development to improve existing products and produce new ones.

THE BABCOCK & WILCOX CO.
PATENT
WATER TUBE & STEAM BOILERS.
NEW YORK AND GLASGOW

NEW YORK, Nov. 22, 1888

T. A. Edison, Esq.,
Orange, N. J.

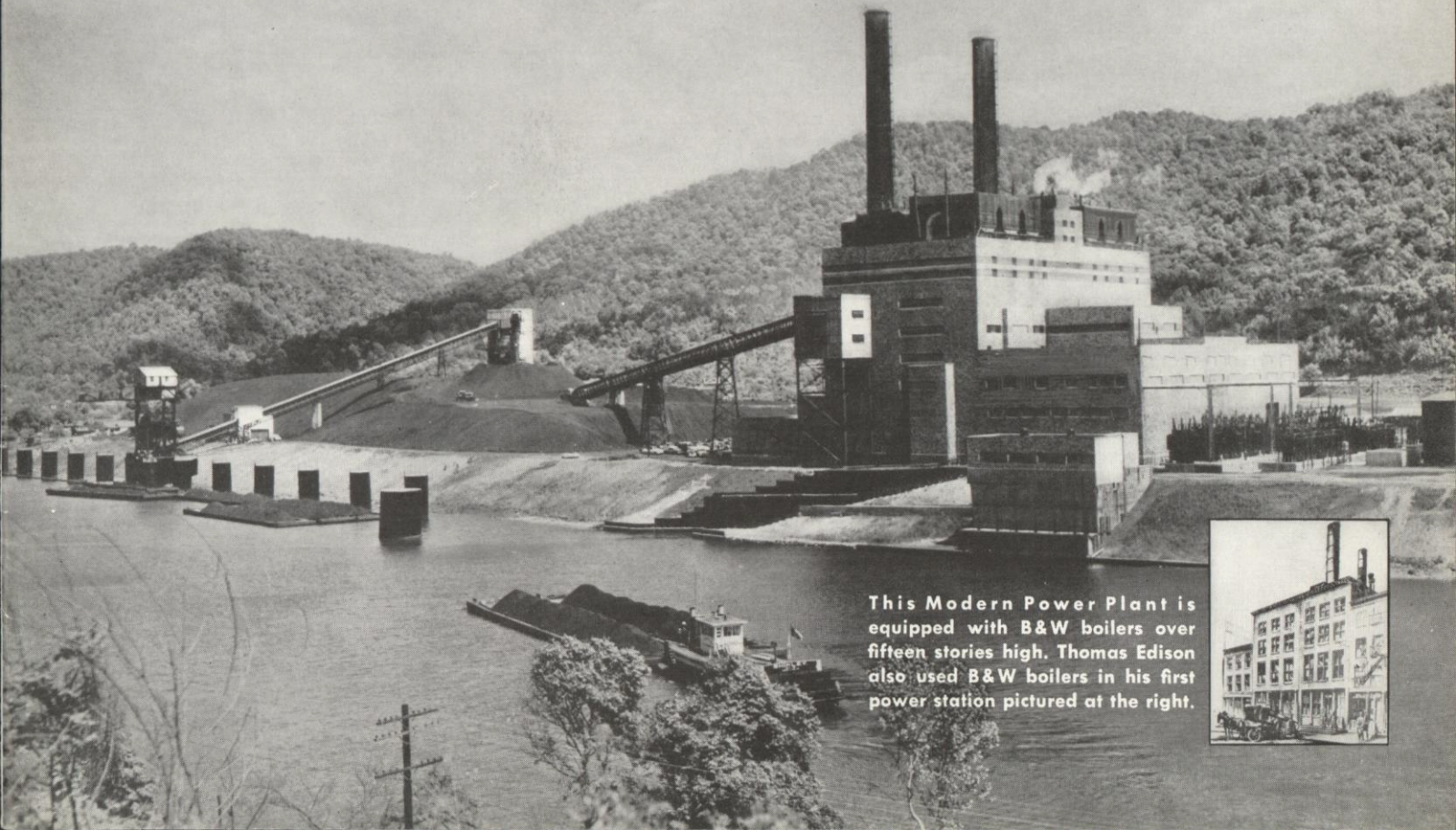
Dear Sir:

Can you kindly speak a good word for our boilers to Mr. Birkinbine? We have been trying to sell him some boilers for an iron plant set in Duluth, and either on account of not knowing sufficiently about our boilers or some little prejudice, we have never been able to approach him in the proper way. Learning that you are personally acquainted with him we make bold to ask if the next time you are with him you will give us a little push. We will endeavor to reciprocate any time we can and be obliged to you for the favor.

Yours very truly,
The Babcock & Wilcox Co.

Handwritten note: Birkinbine — We have perhaps 50000 horsepower of this boiler — it is the best boiler god has permitted to make — Edison

Edison's handwritten comment testifies to the confidence built up by the young B&W organization.



This Modern Power Plant is equipped with B&W boilers over fifteen stories high. Thomas Edison also used B&W boilers in his first power station pictured at the right.

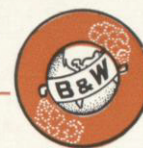


THE BABCOCK & WILCOX COMPANY

Highlights of 1954 Consolidated Operations

	1954	1953
Sales (Shipments)	\$250,471,178	\$305,745,916
Income before U. S. and Canadian taxes on income and minority interest	30,855,234	26,950,294
Income for the year	15,211,990	12,061,389
Dividends declared—Cash	3,111,508	2,963,342
Dividends declared—Stock	4,500,000	2,810,000
Amount added to Retained Earnings	7,600,482	6,288,047
Stockholders interest end of year	106,378,499	94,278,017
Per Share outstanding end of year		
Income for the year	\$9.78	\$8.14
Cash dividends declared	2.00	2.00
Stock dividends declared	5%	5%
Stockholders interest	68.38	63.63
Expenditures for property, plant and equipment	3,792,258	7,492,766
Depreciation and amortization	5,233,693	4,410,203
Net property, plant and equipment	34,289,028	35,815,667
Working Capital	80,969,463	66,912,592
Short term bank loans	None	20,500,000
Funded debt	10,000,000	10,000,000
Payrolls, pensions, social security taxes, Workmen's compensation and group insurance	89,626,641	110,649,001
Unfilled orders end of year	129,464,000	187,736,000
Average number of employees during year	18,893	21,111
Number of stockholders end of year	6,039	5,828
Number of shares of capital stock outstanding end of year	1,555,754	1,481,671

President's Letter



New York, N. Y.
February 24, 1955

TO THE STOCKHOLDERS OF
THE BABCOCK & WILCOX COMPANY:

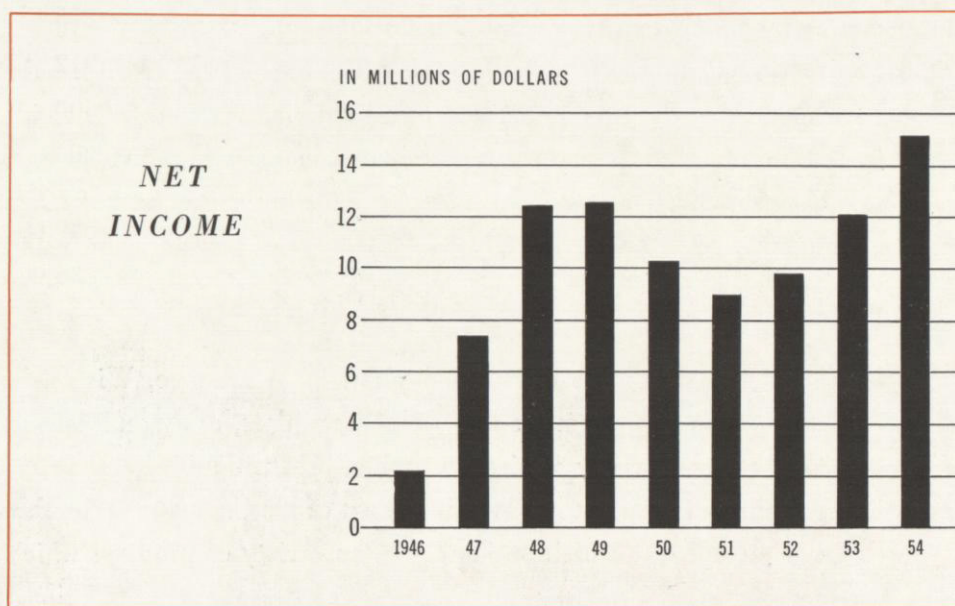
This is the Seventy-Fourth Annual Report of The Babcock & Wilcox Company. The figures given are those resulting from a consolidation of the parent company and its subsidiaries, Bailey Meter Company, Diamond Power Specialty Corporation and A. M. Lockett & Co., Ltd.

Consolidated net income for 1954 is shown below and is compared with the results for 1953 and 1952.

EARNINGS

	1954	1953	1952
Net income	\$15,212,000	\$12,061,000	\$9,809,000
Shares outstanding end of year	1,555,754	1,481,671	1,411,116
Earned per share	\$9.78	\$8.14	\$6.95

The sales value of products shipped to customers was \$250,471,000, 18% less than the previous year. Nevertheless, net income increased by



26% due primarily to greater profit margins resulting from sharp reductions in costly subcontracting, overtime and the use of foreign and warehouse steel.

DIVIDENDS

During 1954 the Company declared cash dividends of \$2.00 per share and in addition a 5% stock dividend was declared payable January 24, 1955 to stockholders of record December 8, 1954. The payment of this stock dividend resulted in the issuance of 77,787 shares and the transfer of \$4,500,000 from Retained Earnings to Capital Account.

FINANCIAL POSITION

There were marked improvements during 1954 in the Company's financial position as may be seen from the following comparisons.

	<u>Dec. 31, 1954</u>	<u>Dec. 31, 1953</u>
Stockholders' Interest	\$106,378,000	\$94,278,000
Working Capital	80,969,000	66,913,000
Cash and Government Securities . . .	27,389,000	10,611,000
Short Term Borrowings	None	20,500,000

The increase in Stockholders' Interest was attributable solely to retained earnings. That increase plus the excess of depreciation and amortization over capital expenditures were the principal reasons for the betterment in Working Capital. Additional cash resulted from substantial reductions of both receivables and inventories made possible by the smaller volume of shipments and a more readily available material supply.

In considering the improved cash position at December 31, 1954 it should be borne in mind that the funds obtained by liquidating receivables and inventories will be required to finance an anticipated increase in the volume of business. Also very large tax payments must be made in the first half of 1955 and on January 3, 1955 approximately \$7,400,000 was used to acquire the business and net assets of Globe Steel Tubes Co.

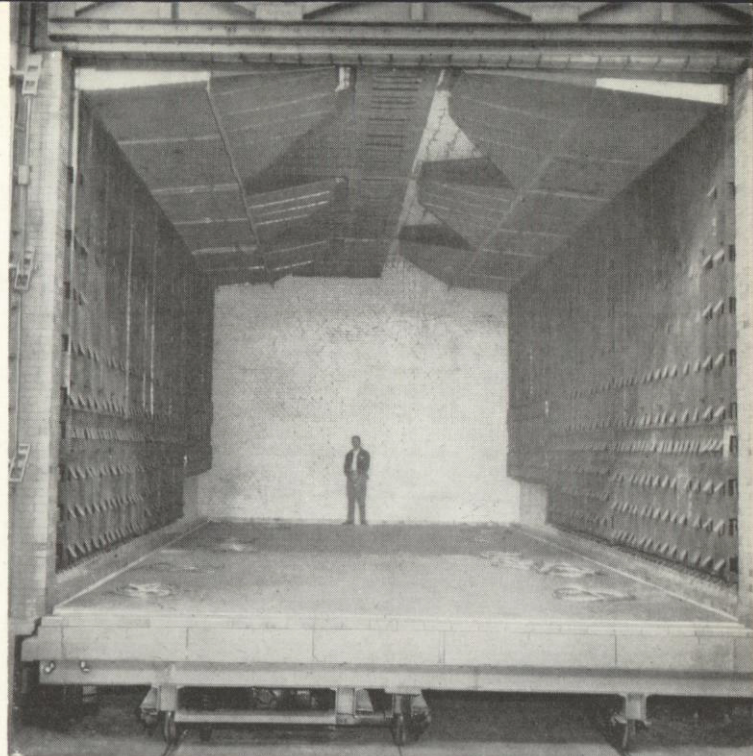
MILWAUKEE PLANT

Globe Steel Tubes Co. has operated a plant in Milwaukee, Wisconsin since 1911 to manufacture seamless and welded stainless, alloy and carbon steel tubing as well as a variety of aircraft tubing, pressure tubing and seamless welding fittings. This plant has become a part of the Company's Tubular Products Division and its acquisition increases the variety of products which



A MODERN WAY OF INSTALLING REFRACTORIES

Industry is trending to the use of higher temperatures in the application of heat. There is also keen interest in the use of high temperature concretes to save in the cost of furnace construction and repair. B&W's Refractories Division pioneered the development of high-temperature refractory concretes and has recently developed a type suitable for use at 3200 degrees Fahrenheit.

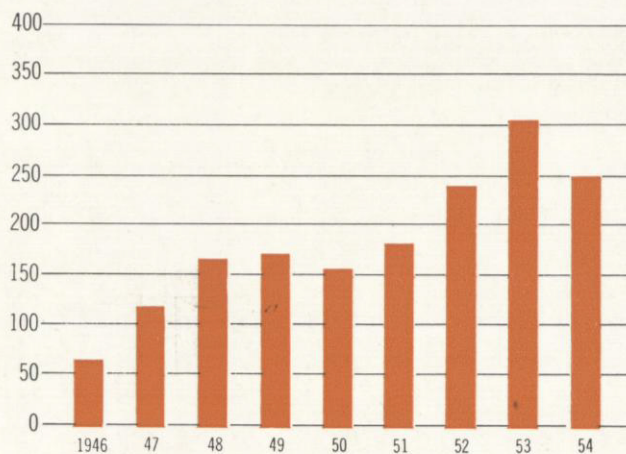


REFRACTORIES NEEDED IN LARGE AMOUNTS

The many kinds of furnaces used for the melting, heating, or processing of metals, ceramics, petroleum and chemicals, require large amounts of the various items produced by our Refractories Division. For example, giant stress relieving furnaces are lined with thousands of Insulating Firebrick, making it possible to obtain close temperature control while saving fuel and operating time.

SALES
(SHIPMENTS)

IN MILLIONS OF DOLLARS



that Division manufactures. Nearly all of the personnel are continuing as employees of The Babcock & Wilcox Company.

*PROPERTY,
PLANT
AND EQUIPMENT*

Expenditures during 1954 for property, plant and equipment amounted to \$3,792,000 which was considerably lower than the cost of new facilities acquired in any year since 1950. At the end of the year \$6,857,000 had been authorized for new facilities which was in addition to the cost of the Milwaukee plant. Consequently, capital expenditures in 1955 will again reach a substantial amount.

The total cost of all facilities acquired in the nine years since the end of World War II amounted to \$50,495,000 equal to \$32.46 for each of the 1,555,754 shares outstanding on December 31, 1954.

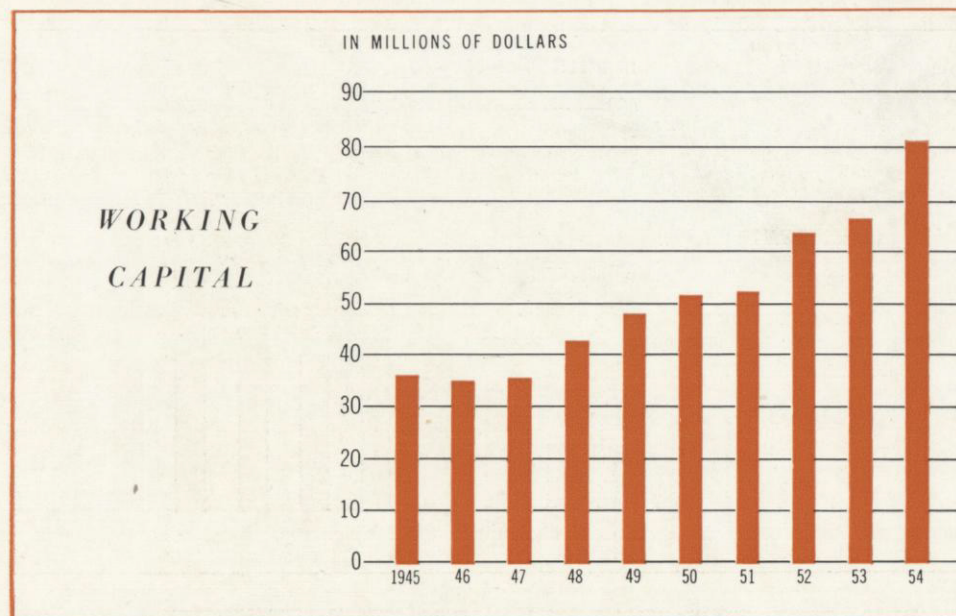
Facilities covered by Necessity Certificates permitting amortization of \$14,545,000 over a five year period were completed by December 31, 1954. The total amortization taken to that date was \$6,612,000.

EMPLOYEES

During the year the Company employed an average of 18,893 persons. Pension payments amounted to \$605,112. Employees were covered by \$117,120,000 of group life insurance at the end of 1954.

*RESEARCH AND
DEVELOPMENT*

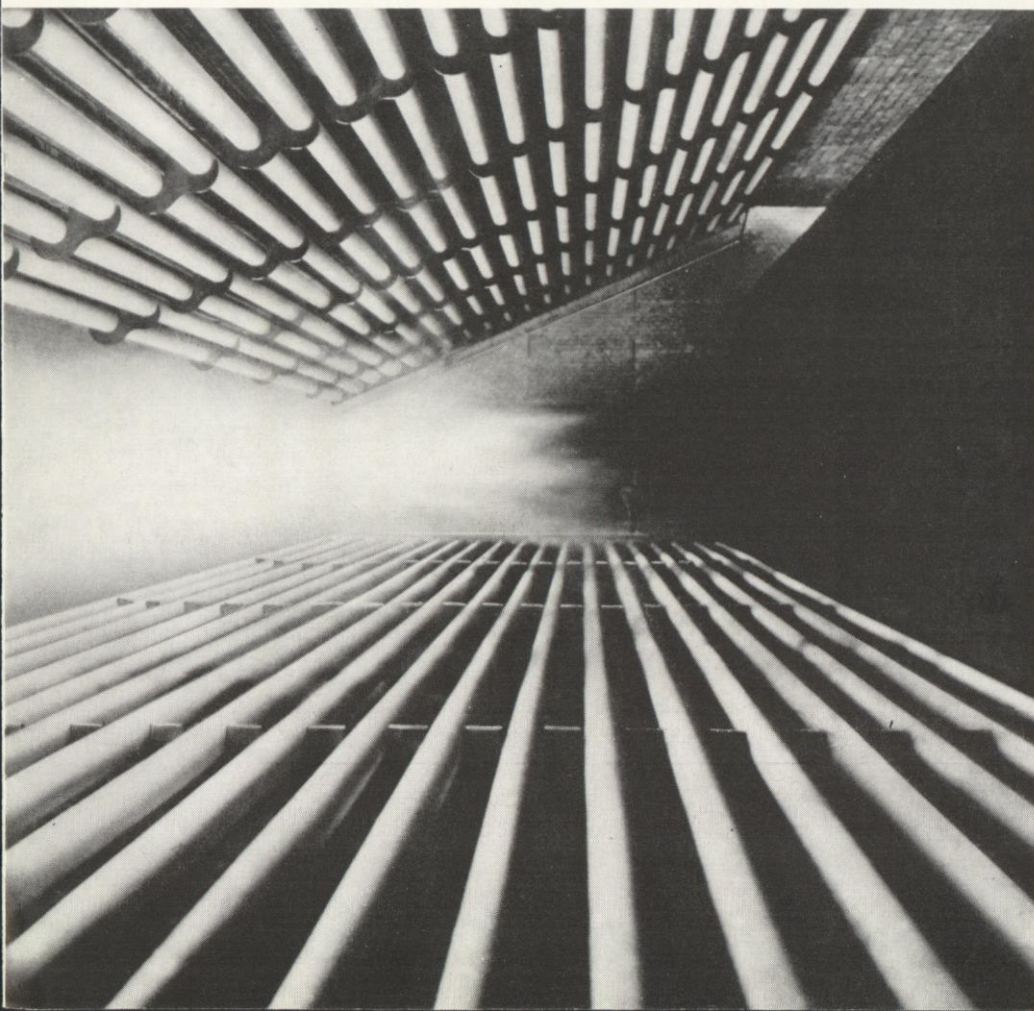
The Company's activities in the improvement of its existing products and search for new products were continued actively during the year.





B&W MECHANICAL TUBING

Anti-friction bearings are extremely important to industry. B&W Mechanical Tubing is used by most important bearing manufacturers as a semi-fabricated raw material for manufacturing rings and races in their automatic machines. B&W Mechanical Tubing is also used for parts in automobiles, aircraft, farm implements and tractors, industrial machines and countless other mechanical products.



B&W PRESSURE TUBING

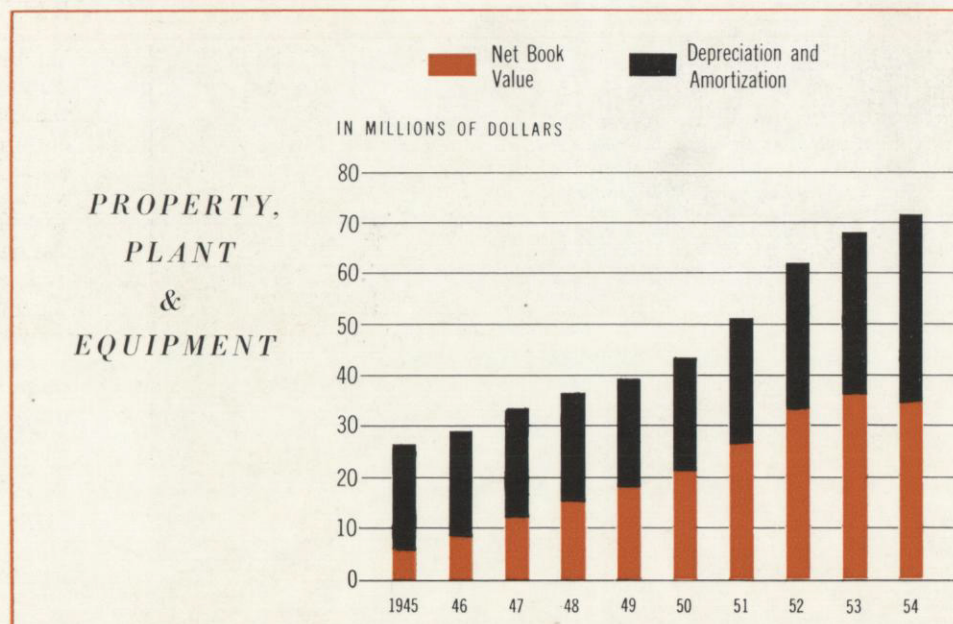
Throughout industry B&W Tubing is a vital component in the release, containment, absorption, conversion and transportation of heat for the production and use of energy on a vast scale. Oil heaters such as the one shown, heat exchangers and condensers, are typical of the equipment in which B&W Tubing is used in the petroleum, chemical, paper, textile, pharmaceutical, dairy, food industries as well as the power industry. So diversified are the activities of the Tubular Products Division that the great majority of its output goes into uses totally unrelated to boiler construction.

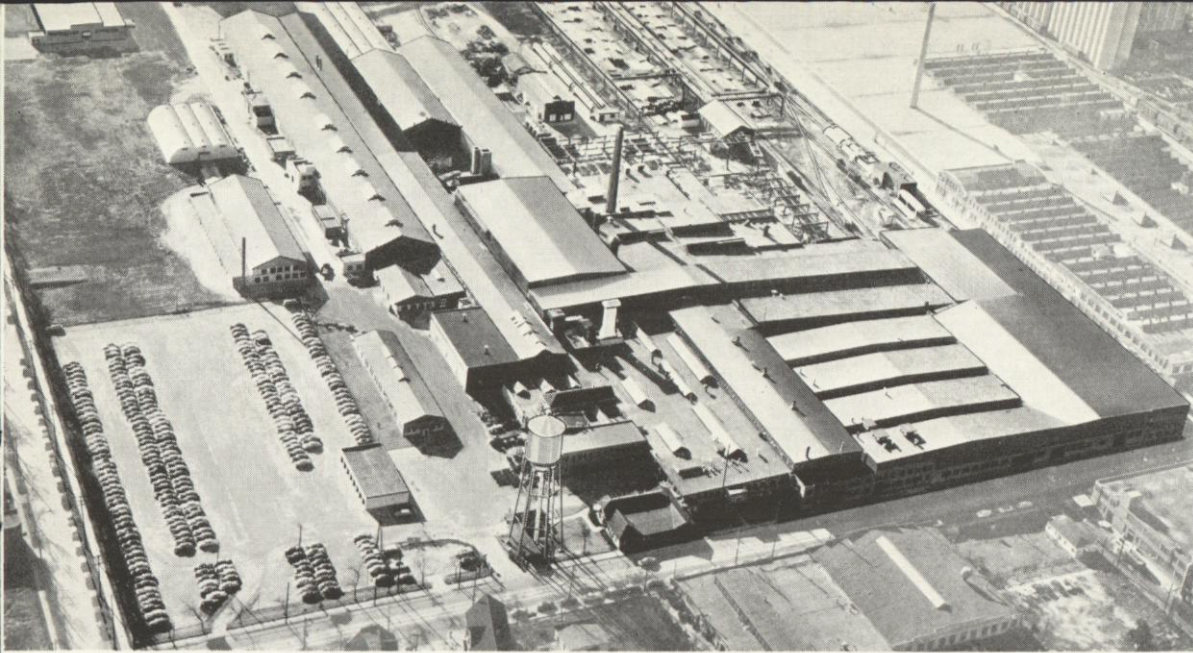
There is increasing interest in the peace time use of atomic energy and the Company has added considerably to its personnel working on these problems. A portion of the boiler equipment for the Duquesne Light Company plant near Pittsburgh was awarded to the Company and it has contracts with Government agencies for specific study and development work in this field.

The new 4,500 lb. steam generator, mentioned in last year's report, is partially fabricated. It will be erected this year and is scheduled for operation early in 1956. It will increase the efficiency of the best existing steam generating plant by about 5%.

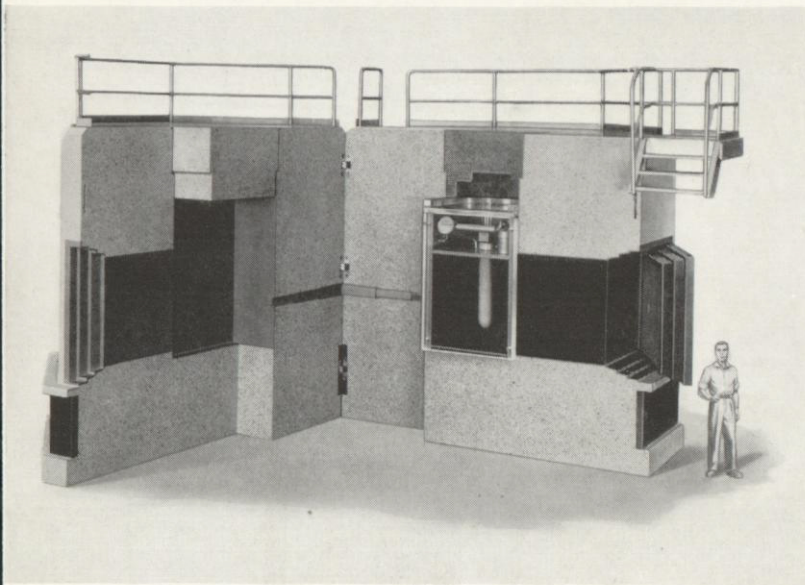
Work was done on the further development of the Cyclone Furnace, including its application to the economical burning of Bunker "C" Oil as a fuel; and the economical use of gas recirculation in large capacity public utility boilers. In manufacturing methods, improvements were attained in the extrusion of tubes, in welding processes, and in the production of high grade "Kaowool" for insulating purposes. Considerable progress was made in the development of new alloys to withstand high temperatures, which are so urgently needed in the further improvements of power plant equipment.

In the development of new equipment and processes, the Company's activities in connection with a coal burning steam turbine electric locomotive culminated in the acceptance of the new locomotive following extensive road tests, and it is now in regular operation on the Norfolk and Western Railway.



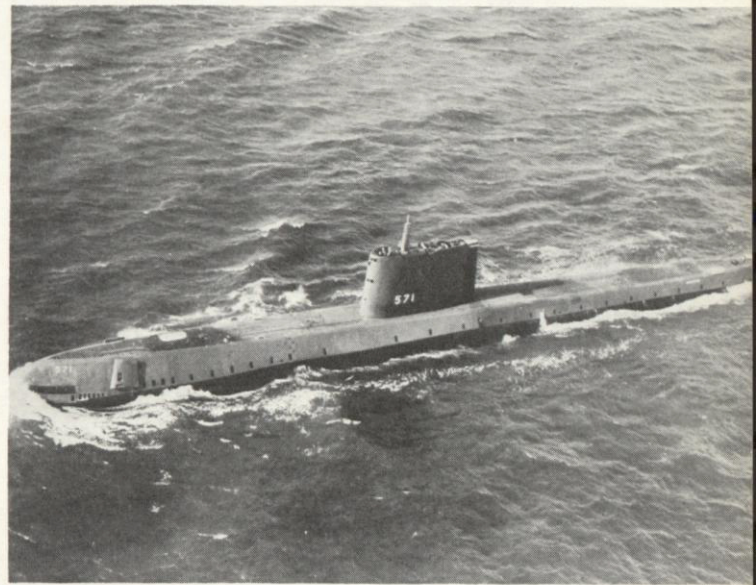


B&W DIVERSIFIES ITS TUBULAR PRODUCTS Acquisition of the assets and business of Globe Steel Tubes Co. permits a further diversification of the activities of the Tubular Products Division. The Milwaukee Plant manufactures mechanical and pressure tubing of stainless, alloy and carbon steels in a broad range of sizes. In addition it produces tubing of low carbon ingot iron, aircraft tubing of special cross sections as well as a variety of seamless welding fittings.



B&W ATOMIC REACTORS

This model, opened to reveal the interior details, shows one design of B&W's Atomic Research Reactors which we are prepared to design, fabricate and erect. Universities have need for such reactors for various experiments in physics, chemistry, biology, and materials development.

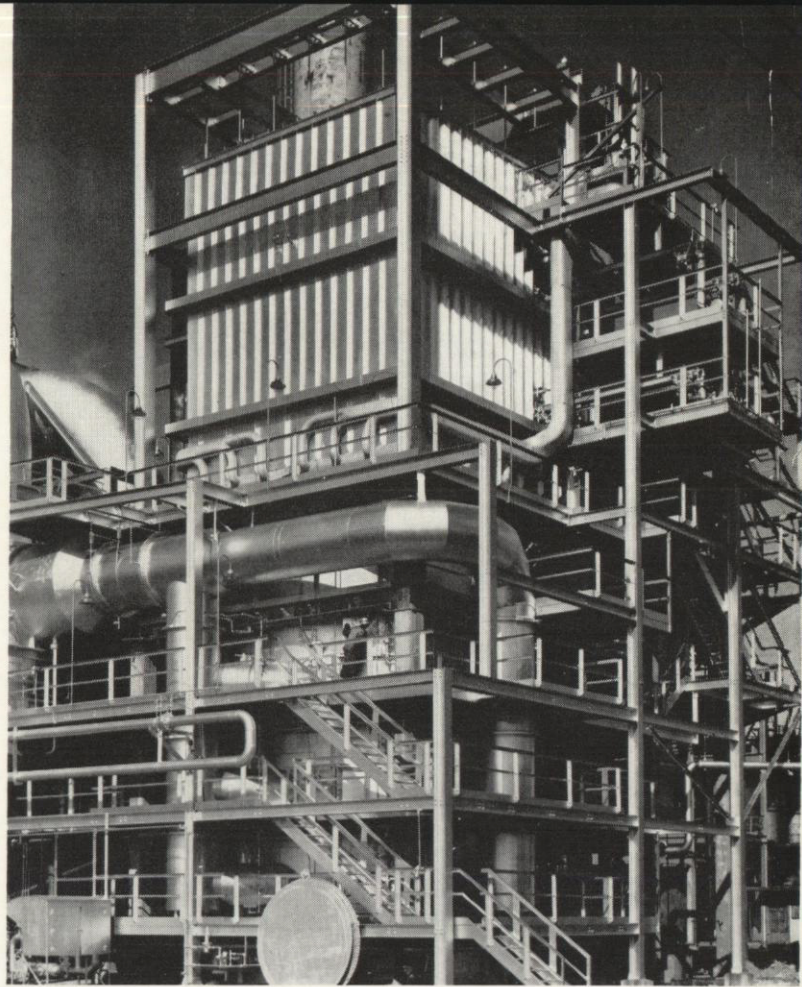


ATOMIC POWERED SUBMARINE

The U.S.S. NAUTILUS, the first atomic powered submarine in the world, has created considerable interest since much will be learned from it that will be of use in the development of nuclear energy for power purposes. The Babcock & Wilcox Company participated in supplying equipment for this history making vessel.

NEW BOILER DESIGN INTERESTS REFINERIES

Working in close cooperation with oil refinery engineers, Babcock & Wilcox engineers have developed a Carbon Monoxide boiler which burns waste gases as well as conventional fuels. Known as the "CO-Boiler", this design has won quick acceptance among the refineries. It is a typical example of creating new markets through application of engineering research to the energy and heat problems of industry.

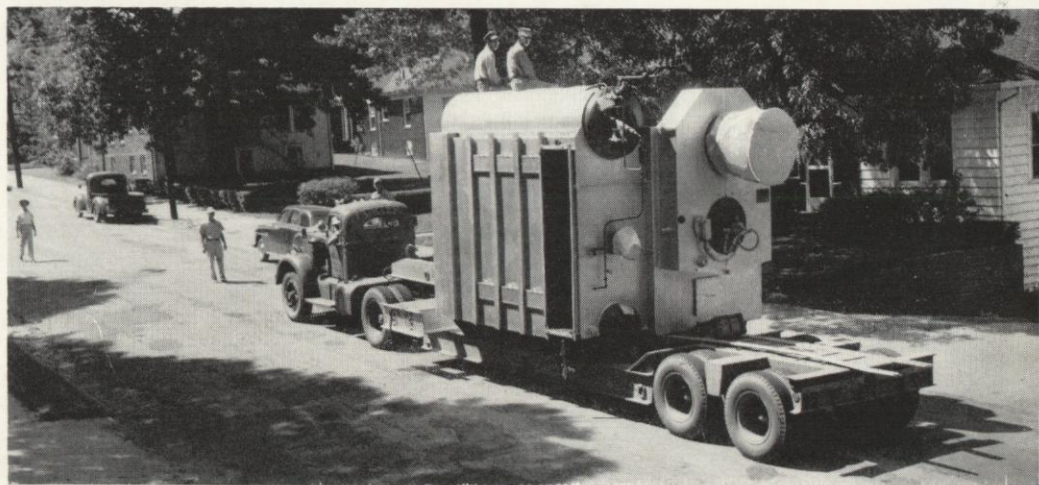


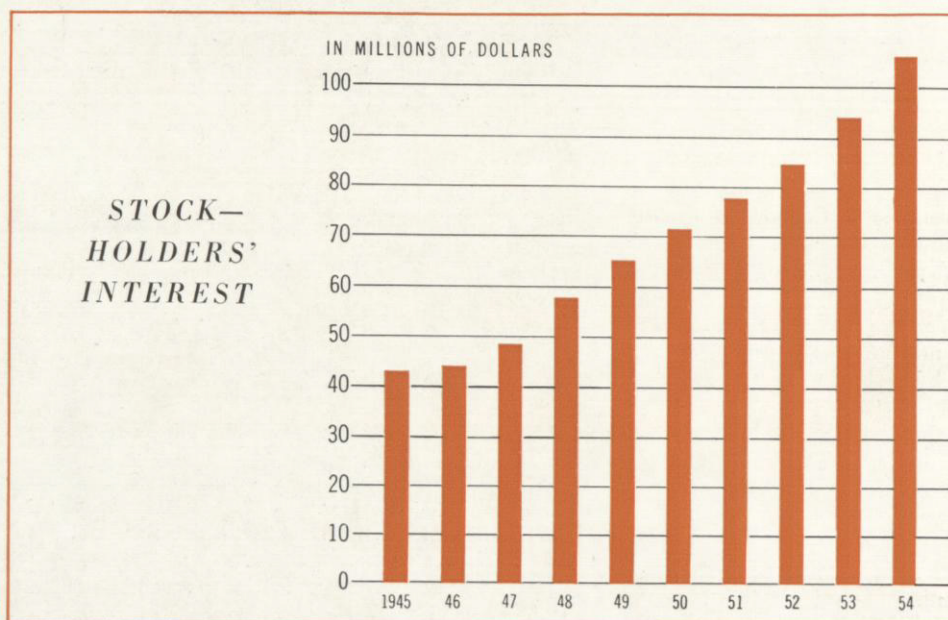
COAL BURNING STEAM TURBINE ELECTRIC LOCOMOTIVE

A Babcock & Wilcox steam boiler operating at 600 pounds pressure and 900 F steam temperature, burning coal fired by stoker on a self-cleaning moving grate with air supplied by a forced draft fan and with complete automatic control, is now in regular operation on the Norfolk and Western Railway. This special design of boiler, and its application to the locomotive, was developed in our Research Center. In complete shop and road tests the locomotive has produced 4900 horsepower with much greater efficiency than any other coal burning locomotive. It is expected that it will compete successfully with diesels where coal is readily and economically available.

BOILERS "OFF-THE-SHELF"

The many users of steam for heating and processing have shown great interest in "package-boilers" — shop assembled units which can be shipped on trucks or flat-cars and installed with a minimum of field work. The Company's development work along these lines has produced a design which has been quickly accepted by purchasers.





An installation of equipment involving a new process for the production of CO-H₂ gas from coal is now being made on a commercial scale in a large chemical plant, and is expected to go into operation early in 1955. A large installation of our Magnesium Bisulphite Recovery Process was put into operation in a pulp mill in Alaska during the latter part of 1954.

At the Research Center at Alliance, Ohio, the total personnel numbers 350, of which 200 are technically trained as mechanical, fuel, chemical, and welding engineers, physicists, metallurgists, chemists, and ceramists. In addition, a considerable number of persons are engaged in research at the various plants of the Company.

The following tabulation shows orders received, shipments and unfilled orders for the past three years.

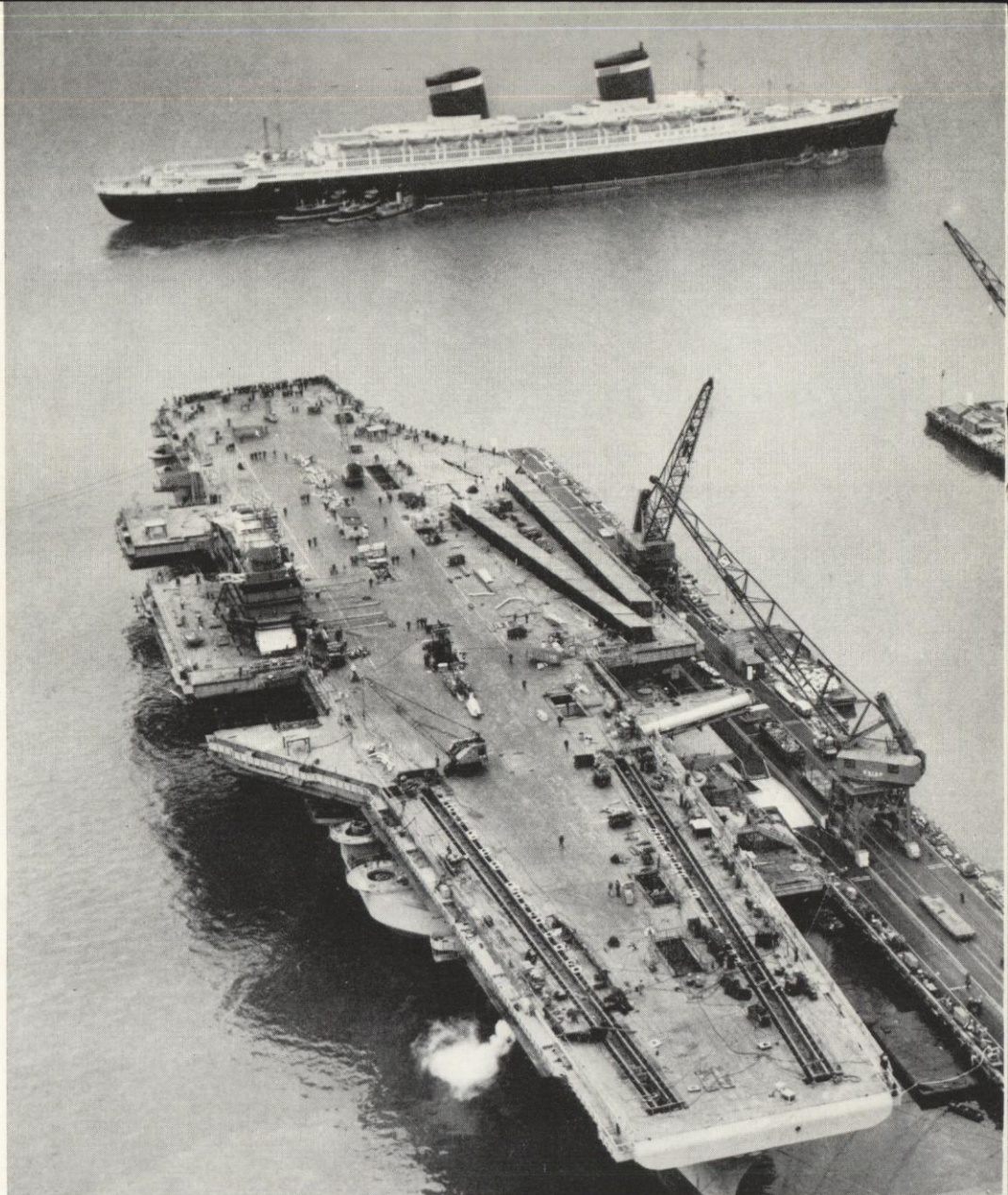
ORDERS

	Orders Received	Shipments	Unfilled Orders End of Year
1952	\$227,563,000	\$241,267,000	\$336,227,000
1953	157,255,000	305,746,000	187,736,000
1954	192,199,000	250,471,000	129,464,000

In each of these years shipments exceeded orders received and consequently the abnormally large backlog built up in 1950 and 1951 was

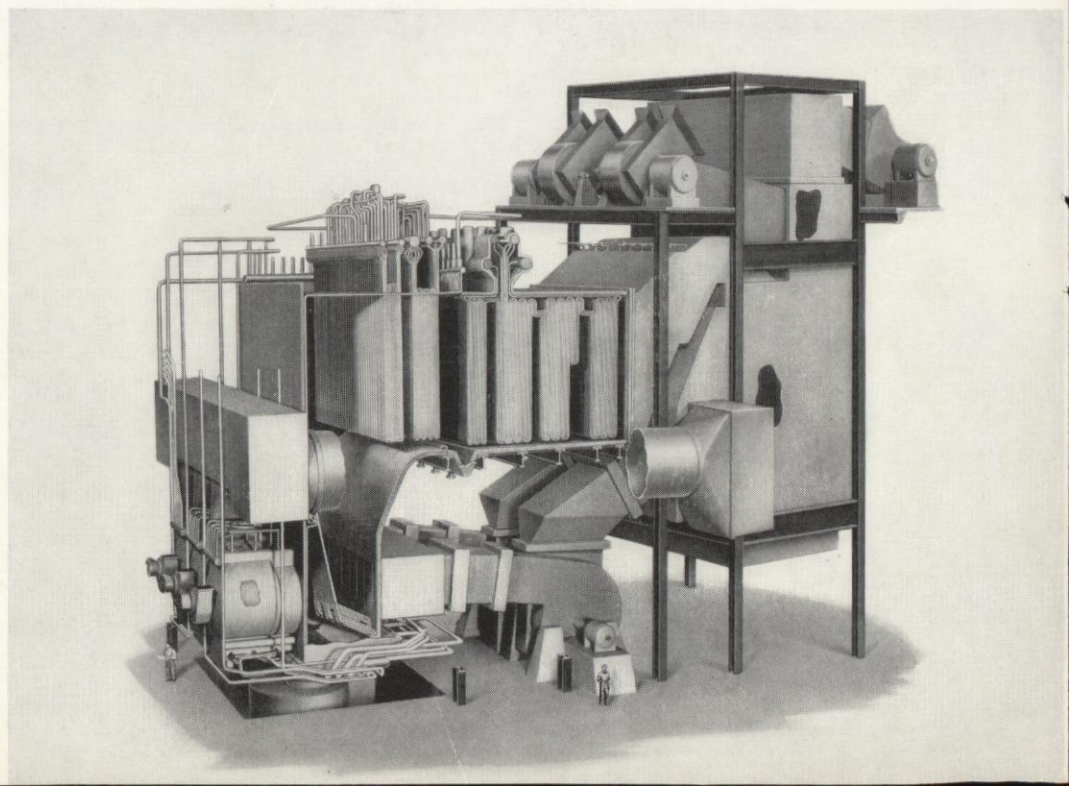
NEW SUPER-CARRIER IS EQUIPPED WITH B&W BOILERS

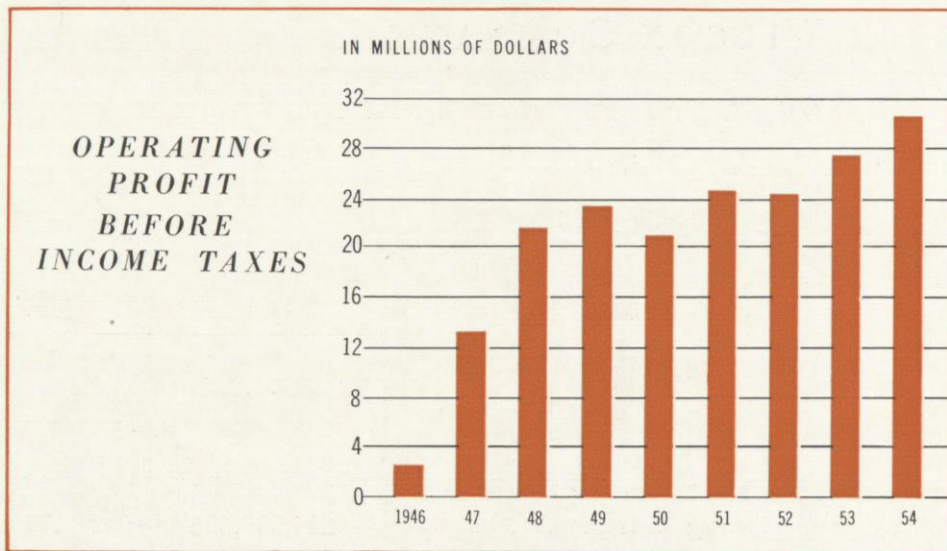
The U.S.S. FORRESTAL, largest warship in the world, is rapidly nearing completion. Power for this great vessel—like that for thousands of other naval and merchant ships—is provided by Babcock & Wilcox boilers. When the accompanying photograph was taken at the time of her launching, the great ribbon-winning passenger ship SS United States, also equipped with boilers designed by B&W, was passing in the background. The units on the FORRESTAL supply enough power to make electricity for a city of 1,500,000 people. In designing boilers of this power for the restricted space available, B&W's Marine Department has a unique background of skill and experience.



AN ADVANCED STEP IN STEAM GENERATION

The first installation of B&W's new Supercritical Pressure Steam Generator is now under construction. It opens the way for savings in both construction and operating costs. Water is pumped into the unit at a pressure of 5500 pounds per square inch, and upon being heated, flashes into steam as it flows through the tubes and goes to the turbine at 4500 pounds per square inch pressure and 1150 degrees Fahrenheit temperature. B&W engineers and research men have spent many years developing the immense amount of scientific data essential for the design, fabrication, and operation of this type of steam generator.





reduced materially. Since the first of August 1954, however, there has been an increase in the volume of orders received from customers of the Boiler Division and more recently the value of new orders received by the Tubular Products Division has also increased.

It is expected that the Company will continue to receive orders in satisfactory volume but in an orderly way and not for such long term delivery as brought about the very large backlogs of a few years ago.

By Order of the Board of Directors.

ALFRED IDDLES

President



THE BABCOCK & WILCOX COMPANY

Consolidated Statement of Income and Retained Earnings For the Calendar Year 1954

(With comparative figures for the year 1953)

	1954	1953
Sales (shipments) on percentage of completion method for long term contracts	\$250,471,178	\$305,745,916
Costs and expenses		
Materials, payrolls, services and taxes other than U. S. and Canadian taxes on income	214,539,486	273,700,825
Depreciation of plants and equipment (includes amortization \$2,807,546 in 1954 and \$2,195,516 in 1953)	5,233,693	4,410,203
	<u>219,773,179</u>	<u>278,111,028</u>
	30,697,999	27,634,888
Income from and profit on sale of investments	737,053	206,002
Interest expense (deduct)	(579,818)	(890,596)
	<u>30,855,234</u>	<u>26,950,294</u>
U. S. and Canadian taxes on income	15,470,000	14,190,000
	<u>15,385,234</u>	<u>12,760,294</u>
Income applicable to minority interests (deduct)	(173,244)	(698,905)
Income for the year	<u>15,211,990</u>	<u>12,061,389</u>
Dividends declared		
Cash	3,111,508	2,963,342
5% stock dividends (77,787 shares in 1954 and 74,083 shares in 1953 at \$57.85 and \$37.93 per share respectively)	4,500,000	2,810,000
	<u>7,611,508</u>	<u>5,773,342</u>
Remainder added to retained earnings	7,600,482	6,288,047
Retained earnings at beginning of year	60,018,017	53,729,970
Retained earnings at end of year (see note)	<u>\$ 67,618,499</u>	<u>\$ 60,018,017</u>

NOTE: The payment or declaration of cash dividends on the Company's stock is restricted under the provisions of the Note Agreements covering \$10,000,000 principal amount of 3¼% promissory notes dated June 1, 1952. Pursuant to such Note Agreements, retained earnings in the sum of \$30,578,000 were unrestricted at December 31, 1954.



THE BABCOCK & WILCOX COMPANY

Consolidated Statement of Financial Condition at December 31, 1954

(With comparative figures at December 31, 1953)

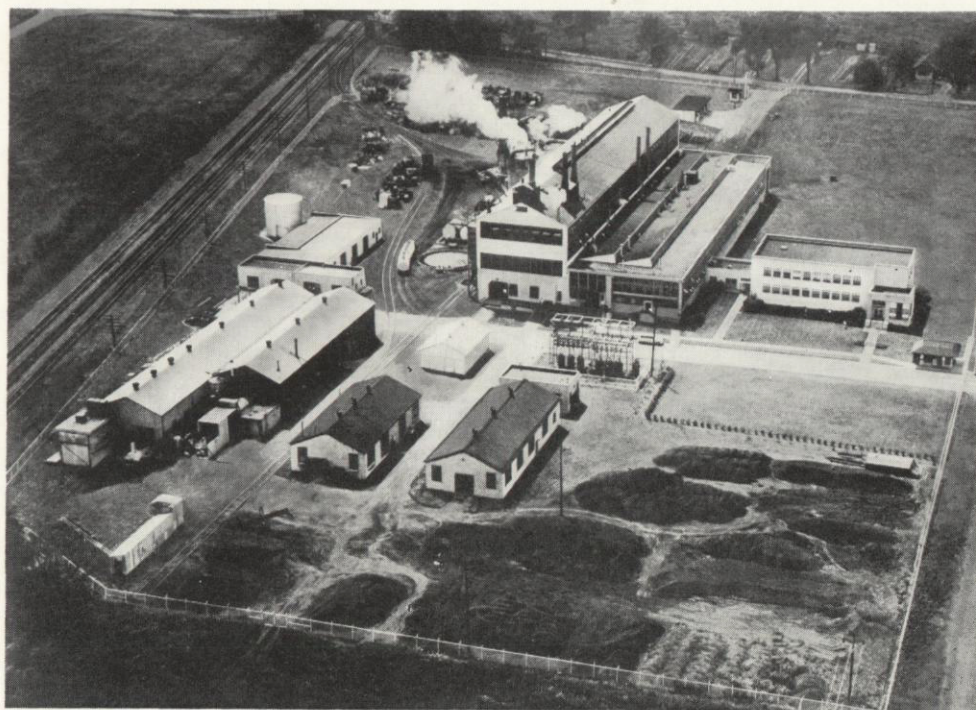
	1954	1953
CURRENT ASSETS		
Cash	\$ 20,120,767	\$ 9,061,844
U. S. Government securities, at cost	7,268,176	1,549,563
Accounts receivable	39,276,879	43,885,488
Unbilled shipments and installations, at contract prices	17,757,629	20,638,299
Inventories, at lower of cost or market	40,975,395	56,902,375
Advance payments on contracts (deduct)	(2,648,412)	(2,068,712)
TOTAL CURRENT ASSETS	122,750,434	129,968,857
CURRENT LIABILITIES		
Notes payable to banks		20,500,000
Accounts payable	11,412,897	12,833,489
Accrued liabilities	9,001,609	10,921,961
Cash dividends payable	777,877	740,836
Provision for additional costs on contracts	4,000,000	2,500,000
U. S. and Canadian income taxes	16,588,588	15,559,979
TOTAL CURRENT LIABILITIES	41,780,971	63,056,265
WORKING CAPITAL	80,969,463	66,912,592
INVESTMENTS, at cost	1,602,631	2,176,986
PENSION RESERVE INVESTMENTS in U. S. Government securities, at cost	2,250,000	2,250,000
PROPERTY, PLANT AND EQUIPMENT (schedule attached)	34,289,028	35,815,667
PREPAID EXPENSES AND OTHER ASSETS	566,520	397,596
PATENTS	1	1
WORKING CAPITAL AND OTHER ASSETS	119,677,643	107,552,842
DEDUCT		
Fifteen-year 3¼% notes due June 1, 1967 (requiring certain annual prepayments commencing in 1957)	10,000,000	10,000,000
Reserve for pensions	2,250,000	2,250,000
Minority interests in subsidiary companies	1,049,144	1,024,825
NET ASSETS	\$106,378,499	\$ 94,278,017
REPRESENTED BY		
	<i>Shares</i>	
Capital stock, without par value authorized	3,000,000	
Issued (including 5% stock dividend paid January 1954)	1,555,754	\$34,260,000
5% stock dividend paid January 1955	77,787	4,500,000
Retained earnings (see note Page 16)		60,018,017
	\$106,378,499	\$ 94,278,017



THE BABCOCK & WILCOX COMPANY

Consolidated Statement of Property, Plant and Equipment

	1954	1953
COST		
At beginning of year	\$67,177,084	\$60,183,217
Expenditures during year	3,792,258	7,492,766
Retired or sold during year	(852,621)	(498,899)
At end of year	<u>70,116,721</u>	<u>67,177,084</u>
DEPRECIATION AND AMORTIZATION		
At beginning of year	31,361,417	27,434,774
Charged to operations during year	5,233,693	4,410,203
Accumulated on property retired or sold during year	(767,417)	(483,560)
At end of year	<u>35,827,693</u>	<u>31,361,417</u>
Net book value	<u>\$34,289,028</u>	<u>\$35,815,667</u>



RESEARCH AND DEVELOPMENT CENTER, ALLIANCE, OHIO

Engaged in the development of new products and processes, as well as in the improvement of established Company products.



THE BABCOCK & WILCOX COMPANY

Opinion of Independent Public Accountants

TO THE BOARD OF DIRECTORS OF
THE BABCOCK & WILCOX COMPANY:

In our opinion, the accompanying financial statements present fairly the position of The Babcock & Wilcox Company and its subsidiary companies at December 31, 1954 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of such statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

New York, N. Y.
February 23, 1955



THE BABCOCK & WILCOX COMPANY

Consolidated Statement of Financial Condition

At December 31

(In Thousands of Dollars)

	1954	1953	1952
CURRENT ASSETS			
Cash	\$ 20,121	\$ 9,062	\$ 6,785
U. S. Government securities	7,268	1,550	1,950
Accounts receivable	39,277	43,886	42,560
Unbilled shipments and installations	17,758	20,638	17,597
Inventories	40,975	56,902	56,768
Advance payments on contracts (deduct)	(2,649)	(2,069)	(13,887)
TOTAL CURRENT ASSETS	122,750	129,969	111,773
CURRENT LIABILITIES			
Notes payable to banks		20,500	10,000
Accounts payable	11,413	12,833	11,240
Accrued liabilities	9,002	10,922	9,085
Cash dividends payable	778	741	706
Provision for additional costs on contracts	4,000	2,500	2,500
U. S. and Canadian income taxes	16,588	15,560	14,770
TOTAL CURRENT LIABILITIES	41,781	63,056	48,301
WORKING CAPITAL	80,969	66,913	63,472
INVESTMENTS	1,603	2,177	2,194
PENSION RESERVE INVESTMENTS	2,250	2,250	2,250
PROPERTY, PLANT AND EQUIPMENT	34,289	35,816	32,748
PREPAID EXPENSES AND OTHER ASSETS	566	397	505
WORKING CAPITAL AND OTHER ASSETS	119,677	107,553	101,169
DEDUCT			
Fifteen-year 3 $\frac{1}{4}$ % notes	10,000	10,000	10,000
Reserve for pensions	2,250	2,250	2,250
Minority interests in subsidiary companies	1,049	1,025	3,739
NET ASSETS	\$106,378	\$ 94,278	\$ 85,180
REPRESENTED BY			
Capital stock, without par value	\$ 34,260	\$ 31,450	\$ 29,097
5% stock dividends paid January following year	4,500	2,810	2,353
Retained earnings	67,618	60,018	53,730
	\$106,378	\$ 94,278	\$ 85,180
Shares outstanding	1,555,754	1,481,671	1,411,116



Previous Years

1951	1950	1949	1948	1947	1946
\$ 8,324	\$ 9,479	\$15,336	\$ 6,428	\$ 7,003	\$ 6,111
1,595	8,900	2,186	2,081	5,131	9,642
32,666	24,913	27,253	24,134	17,178	12,749
8,528	12,934	10,889	12,746	8,159	2,861
49,904	25,694	23,893	30,011	26,401	21,483
(9,381)	(3,441)	(3,544)	(6,109)	(8,590)	(4,545)
<u>91,636</u>	<u>78,479</u>	<u>76,013</u>	<u>69,291</u>	<u>55,282</u>	<u>48,301</u>
3,000					
9,197	6,182	7,563	8,540	5,976	3,705
7,675	5,949	4,813	5,115	4,206	4,624
706	706	2,822	705	672	
2,500	2,500	2,500	2,500	2,500	2,500
16,292	11,008	10,224	9,872	6,400	2,334
<u>39,370</u>	<u>26,345</u>	<u>27,922</u>	<u>26,732</u>	<u>19,754</u>	<u>13,163</u>
52,266	52,134	48,091	42,559	35,528	35,138
2,202	2,201	2,227	2,216	2,238	2,340
2,200	2,200	1,700	1,050	500	
26,364	20,140	17,890	15,220	12,663	8,340
601	378	268	229	207	200
<u>83,633</u>	<u>77,053</u>	<u>70,176</u>	<u>61,274</u>	<u>51,136</u>	<u>46,018</u>
2,200	2,200	1,700	1,050	500	
3,240	2,879	2,587	2,009	1,529	1,290
<u>\$78,193</u>	<u>\$71,974</u>	<u>\$65,889</u>	<u>\$58,215</u>	<u>\$49,107</u>	<u>\$44,728</u>
\$29,097	\$29,097	\$29,097	\$29,097	\$27,039	\$17,399
49,096	42,877	36,792	29,118	22,068	27,329
<u>\$78,193</u>	<u>\$71,974</u>	<u>\$65,889</u>	<u>\$58,215</u>	<u>\$49,107</u>	<u>\$44,728</u>
<u>1,411,116</u>	<u>1,411,116</u>	<u>705,558</u>	<u>705,558</u>	<u>671,970</u>	<u>671,970</u>

NOTE: 1952 and prior figures have been restated to include subsidiaries not consolidated in the published reports for those years.



THE BABCOCK & WILCOX COMPANY

Consolidated Statement of Income and Retained Earnings For the Calendar Years

(In Thousands of Dollars)

	1954	1953	1952
Sales (shipments)	\$250,471	\$305,746	\$241,267
COSTS AND EXPENSES			
Materials, payrolls, services and taxes other than federal taxes on income	214,539	273,701	213,510
Depreciation and amortization	5,234	4,410	3,289
	<u>219,773</u>	<u>278,111</u>	<u>216,799</u>
	30,698	27,635	24,468
Income from investments	737	206	436
Interest expense (deduct)	(580)	(891)	(397)
	<u>30,855</u>	<u>26,950</u>	<u>24,507</u>
U. S. and Canadian taxes on income	15,470	14,190	13,750
	<u>15,385</u>	<u>12,760</u>	<u>10,757</u>
Income applicable to minority interests (deduct)	(173)	(699)	(898)
Provision for pension reserve (deduct)			(50)
Refund of prior years' taxes			
Income for the year	<u>15,212</u>	<u>12,061</u>	<u>9,809</u>
DIVIDENDS DECLARED			
Cash	3,112	2,963	2,822
Stock—5%	4,500	2,810	2,353
	<u>7,612</u>	<u>5,773</u>	<u>5,175</u>
Remainder added to retained earnings	7,600	6,288	4,634
Retained earnings at beginning of year	60,018	53,730	49,096
Transfer to capital stock			
Retained earnings at end of year	<u>\$ 67,618</u>	<u>\$ 60,018</u>	<u>\$ 53,730</u>

Consolidated Statement of Property, Plant and Equipment For the Calendar Years

(In Thousands of Dollars)

	1954	1953	1952
COST			
At beginning of year	\$ 67,177	\$ 60,183	\$ 50,893
Expenditures during year	3,792	7,493	9,684
Retired or sold during year	(852)	(499)	(394)
At end of year	<u>70,117</u>	<u>67,177</u>	<u>60,183</u>
DEPRECIATION AND AMORTIZATION			
At beginning of year	31,361	27,435	24,529
Charged to operations during year	5,234	4,410	3,289
Accumulated on property retired or sold during year	(767)	(484)	(383)
At end of year	<u>35,828</u>	<u>31,361</u>	<u>27,435</u>
NET BOOK VALUE	<u>\$ 34,289</u>	<u>\$ 35,816</u>	<u>\$ 32,748</u>



Previous Years

1951	1950	1949	1948	1947	1946
<u>\$182,025</u>	<u>\$154,854</u>	<u>\$170,650</u>	<u>\$163,516</u>	<u>\$116,403</u>	<u>\$ 64,167</u>
155,282	132,010	145,874	140,268	102,099	60,966
2,078	1,747	1,455	1,259	1,031	740
<u>157,360</u>	<u>133,757</u>	<u>147,329</u>	<u>141,527</u>	<u>103,130</u>	<u>61,706</u>
24,665	21,097	23,321	21,989	13,273	2,461
530	402	341	528	410	316
(5)					
<u>25,190</u>	<u>21,499</u>	<u>23,662</u>	<u>22,517</u>	<u>13,683</u>	<u>2,777</u>
15,598	9,992	9,438	8,768	5,272	1,090
<u>9,592</u>	<u>11,507</u>	<u>14,224</u>	<u>13,749</u>	<u>8,411</u>	<u>1,687</u>
(551)	(689)	(963)	(698)	(508)	(161)
	(500)	(650)	(550)	(500)	
					620
<u>9,041</u>	<u>10,318</u>	<u>12,611</u>	<u>12,501</u>	<u>7,403</u>	<u>2,146</u>
2,822	4,233	4,937	3,393	3,024	1,176
			2,058		
<u>2,822</u>	<u>4,233</u>	<u>4,937</u>	<u>5,451</u>	<u>3,024</u>	<u>1,176</u>
6,219	6,085	7,674	7,050	4,379	970
<u>42,877</u>	<u>36,792</u>	<u>29,118</u>	<u>22,068</u>	<u>27,329</u>	<u>26,359</u>
				(9,640)	
<u>\$ 49,096</u>	<u>\$ 42,877</u>	<u>\$ 36,792</u>	<u>\$ 29,118</u>	<u>\$ 22,068</u>	<u>\$ 27,329</u>

1951	1950	1949	1948	1947	1946
\$ 42,889	\$ 39,574	\$ 36,222	\$ 33,326	\$ 28,914	\$ 26,072
8,455	4,030	4,222	3,816	5,374	3,629
(451)	(715)	(870)	(920)	(962)	(787)
<u>50,893</u>	<u>42,889</u>	<u>39,574</u>	<u>36,222</u>	<u>33,326</u>	<u>28,914</u>
22,749	21,684	21,002	20,663	20,574	20,523
2,078	1,747	1,455	1,259	1,031	740
(298)	(682)	(773)	(920)	(942)	(689)
<u>24,529</u>	<u>22,749</u>	<u>21,684</u>	<u>21,002</u>	<u>20,663</u>	<u>20,574</u>
<u>\$ 26,364</u>	<u>\$ 20,140</u>	<u>\$ 17,890</u>	<u>\$ 15,220</u>	<u>\$ 12,663</u>	<u>\$ 8,340</u>



PRODUCTS AND PLANTS

BOILER DIVISION

WATER-TUBE BOILERS

FOR PUBLIC UTILITY POWER PLANTS
FOR INDUSTRIAL POWER AND PROCESS PLANTS
FOR HEATING PLANTS
FOR MARINE SERVICE

WATER-COOLED FURNACES

SUPERHEATERS

ATTEMPERATORS

ECONOMIZERS

AIR HEATERS

PULVERIZED-COAL EQUIPMENT

CHAIN-GRATE STOKERS

OIL, GAS AND MULTI-FUEL BURNERS

PROCESS EQUIPMENT

RECOVERY PROCESS FOR THE PULP INDUSTRY

PULVERIZERS FOR CEMENT MATERIALS, ROCK PRODUCTS AND ORES

ALLOY CASTINGS

PLANTS

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Six grades for a wide range of temperature and service requirements

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SILICON CARBIDE

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Augusta, Georgia

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MECHANICAL TUBING

AIRCRAFT TUBING

BEARING TUBING

DAIRY AND OTHER SANITARY TUBING

STILL TUBES

BOILER AND SUPERHEATER TUBES

CONDENSER AND HEAT EXCHANGER TUBES

PIPE

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Seamless Tubes—hot-finished, cold-drawn, or hot-rolled

Welded Tubes—from hot-rolled or cold-rolled strip

SHAPES

Round, square, rectangular, or special shapes

GRADES

Carbon, alloy, and stainless steels, and Globeiron

FABRICATION

Upsetting, swaging, expanding, bending, safe-ending, and machining

EXTRUSIONS

TUBULAR SHAPES

SOLID SHAPES

GRADES

Standard and non-pierceable ferrous alloys and non-ferrous materials such as Titanium, Molybdenum, Zirconium, etc.

GLOBE SEAMLESS WELDING FITTINGS

ELLS

RETURN BENDS

REDUCERS

TEES

CAPS

STUB ENDS

FLANGES

GRADES

Carbon, alloy and stainless steel, and Globeiron

PLANTS

Beaver Falls, Penna; Alliance, Ohio; Milwaukee, Wis.

ATOMIC ENERGY DIVISION

NUCLEAR REACTOR VESSELS AND INTERNALS

NUCLEAR POWER HEAT EXCHANGERS

RESEARCH REACTORS

SPECIAL NUCLEAR TEST EQUIPMENT

